



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Carl W. Mosher

**SUBJECT:** SEE BELOW

**DATE:** 5-14-04

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Approved

Date

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**COUNCIL DISTRICTS:** City-wide

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR INSTALLATION  
OF POTABLE/NON-POTABLE WATER SERVICES AND MAINS IN  
2004-2005**

## **RECOMMENDATION**

Report on bids and approval of award of contract to the low bidder, San Jose Water Company, in the amount not to exceed \$503,805.50 for Installation of Potable/Non-potable Water Services and Mains in 2004-2005.

## **BACKGROUND**

Municipal Water competitively bids a water service contract each fiscal year and Council typically awards a contract to the lowest responsive bidder.

The contract is funded by two programs:

Potable water services – Fund 500, Water Utility Fund

Non-potable services – Fund 512, San Jose/Santa Clara Treatment Plant Capital Fund

The contract is split approximately 50/50 between the two funds. With the lowest bid being \$503,805.50, \$250,000 will be allocated to the non-potable Fund 512, and the remainder, \$253,805.50 will be allocated to the potable Fund 500.

This is an annual contract for water service installations for commercial, industrial and residential developments to the San Jose Municipal Water System. This contract allows construction of new water service installations during a year's period be made by one contractor

instead of processing a separate contract for each installation. The contract allows for construction of new services and includes for South Bay Water Recycling, retrofitting recycled water services to replace existing potable services. The installation work consists of such items as installing water mains, service laterals, and furnishing and installing pipes, valves, fittings, and all appurtenances necessary to install service laterals.

The Contractor is required to effect permanent installations within a thirty (30) calendar day period from the date they are given a design drawing for a particular installation.

### **ANALYSIS**

Bids for this project were opened on April 27, 2004, with the following results:

<b><u>Contractor</u></b>	<b><u>City</u></b>	<b><u>Bid Amount</u></b>	<b><u>Variance Over / (Under)</u></b>	
			<b><u>Amount</u></b>	<b><u>Percent</u></b>
Lowery Engineering	Santa Clara	\$674,430.00	\$175,596.94	35%
San Jose Water Co.	San Jose	\$503,805.50	\$4,972.44	1%
Engineer's Estimate		\$498,833.06		

The low bid submitted by San Jose Water Company is 1% above the Engineer's estimate. The bid has been reviewed, analyzed, and found acceptable.

### **PUBLIC OUTREACH**

This project was advertised in April 2004 in the San Jose Post Record.

### **COORDINATION**

This project has been coordinated with Risk Management, Equality Assurance, the Budget Office, the City Manager's Office and the City Attorney's Office. This item is scheduled to be heard by the Treatment Plant Advisory Committee (TPAC) at its May 17, 2004 meeting.

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION:	\$503,805.50
2. Cost of Project:	
Installations Potable	\$253,805.50
Installations Recycle	\$250,000

**Total Cost** **\$503,805.50**

3. Source of Funding:      Fund 500-Water Utility Capital Fund  
                                     Fund 512-San Jose/Santa Clara Treatment Plant Capital Fund

**Fiscal Impact**

The annual contract time limit is 400 calendar days, to provide some overlap to each fiscal year. The estimated completion date of this project is August 31, 2005. There are no cost implications to the General Fund as a result of this action. This recommendation meets the general principals of the Mayor's FY 2003-04 Budget Strategy by protecting a core service and reducing costs.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2003-2004 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
500	4348	Service Installations	017908	\$400,000	\$253,805.50	Page 242	10/14/03, Ord. No. 26997
512	6589	Revised SBAP-SBWR Extension	062873	\$34,030,000	\$250,000	Page 207	10/14/03, Ord. No. 26997

HONORABLE MAYOR AND CITY COUNCIL

5-14-04

**Subject: Report on Bids and Award- Installation of Potable/Non-Potable Water Services and Mains 2004-05**

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**CEQA**

Exempt. PP#85-8-183 and PP#91-07-173.

CARL W. MOSHER

Director, Environmental Services Department